

On Picking Winners – Supportive Quotes

'This report shows that a carbon price alone will not be enough to rid the UK of its dependence on dirty fossil fuels or unleash a British revolution in the fast-growing clean energy sector. The government's upcoming Energy Bill must put in place clear and targeted subsidies that can give investors and industry the confidence they need. This is vital for the UK to meet its climate change targets and benefit from booming global demand for clean energy. Relying on expensive gas instead risks high energy bills for consumers and keeping the UK hooked on dirty fossil fuels for decades.'

Will Straw, Associate Director for Globalisation and Climate Change at IPPR

"NEA welcomes the realistic approach proposed in this paper. Clearly we recognise both the need for adequate and secure electricity capacity and the compelling environmental case for reducing carbon in power generation; but these goals need to be achieved at optimal cost effectiveness to protect all consumers, and particularly those on low incomes. If costs appear to be spiralling out of control and consumers' money is seen to be paying for carbon traders' bonuses rather than engineering projects, there will be even less trust in the energy industry at a time when it is most needed to make the fundamental changes required. It is vital we plan our low carbon transition in a way that keeps investment costs as low as possible, significantly steps up the building of low carbon generating plant and infrastructure to support it, and provides better protection to the consumers who will ultimately pick up the bill. The authors of this paper have done an excellent job in setting out why we need to, and how we can, achieve these goals."

Jenny Saunders, Chief Executive, National Energy Action (NEA)

"This report highlights a very important issue in energy pricing mechanisms. Targeted support like Feed in Tariffs) deal with the fact that not every technology is in the same stage in development. Some have been around for a long time and their cost of generation today is likely to be in line with the cost in the future. But others are developing, both in terms of technology and supply chain improvements, which mean that the right support can help drive down the costs. A good example of this is solar energy in the UK - which is now around 50% of the cost compared to 2010 (when the Feed in Tariff was first introduced in the UK)."

"Another aspect to note, which is relevant to our role as a lender and investor in projects, is how regularly the support mechanism pricing structures are reviewed and changed. If the prices are changed too often, and there is too much uncertainty about the price once the project is built, then this will obstruct the investment process. If the support mechanisms can remain stable for long enough for projects to be developed, financed and built then this will attract more private investment and bank lending. This might be longer for some technologies (like wave or tidal projects) than others (like solar installations). By committing to longer periods of stable prices, the government can create the conditions necessary to sustain the growth of the sector and close the gap on our national renewable energy targets."

James Vaccaro, Head Of Market and Corporate Development, Triodos Bank NV

"We are not yet winning the battle to prevent dangerous climate change. However innovation, falling prices and growing output in the renewables sector are reasons to be optimistic. Targeted policies and incentives for innovation and deployment will help by driving down costs further, and, critically, making renewables more socially acceptable and wildlife-friendly. This report makes it clear that relying on a carbon price alone would not achieve this."

Ivan Scrase, RSPB

"A very timely and important contribution to the central principles of the energy policy debate that will shape the electricity industry in the UK and our ability to respond to the challenge of climate change for years to come."

David Handley, Chief Economist, RES

"As a global independent renewable energy developer Mainstream Renewable Power is working in several markets to decarbonise electricity supplies, while maintaining affordability and energy security. We believe that the full social and economic benefits of renewable energy can best be delivered through support mechanisms which incentivise deployment at scale, encourage cost reduction and correctly allocate the fuel risk associated with fossil plant."

"A new report by US economist Mark Cooper on the UK's energy future shows that targetted support mechanisms are a very effective policy tool which will deliver the UK's decarbonised future at least cost to the consumer. Dr Cooper's findings reinforce the conclusions of this Report, and I very much welcome its publication."

Eddie O'Connor, Chief Executive of Mainstream Renewable Power

"The Crown Estate agrees with this report's conclusion that well designed targeted policies, such as feed-in tariffs, are essential to improve investment certainty in the renewables sector. These policies can play a key role in developing a strong supply chain in the UK, accelerating innovation in renewable technologies and making these technologies fall down in cost faster for the benefit of consumers. As was made clear in our Offshore Wind Cost Reduction Pathways Study, long-term investment certainty for the offshore wind sector could help reduce the costs of offshore wind in the UK by a third by 2020, with greater cost reductions possible after then."

Rob Hastings, Director of Energy and Infrastructure, The Crown Estate

"This is an excellent report which adds to the growing body of work proving that specific policies can be considerably more cost effective in the right circumstances than broader measures which might be labelled as markets. The faster we eradicate that ridiculous phrase 'picking winners' from the energy policy vocabulary, the less timid and the more cost effective policy-making will be."

Ian Temperton, Head of Advisory, Climate Change Capital